

Trade Marks and Domain Names.

There's a lot in a name.

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Over two years ago, it was predicted that the end of the Internet was nigh unless there were concerted efforts put into place to solve the problems associated with domain names and trade mark clashes^[2]. Certainly, the person who predicted the demise of the Internet had an interest. It was Sally Tate the managing director of Prince plc, the UK company who had at the time just won the UK round of their case against Prince Sports Group Inc. over the domain name www.prince.com^[3]. Happily, Tate's prediction has not come true, and the Internet continues to survive. The domain name problems, however, continue.

The purpose of this article is twofold. Firstly to discuss the nature of the problems concerning trade mark and domain name disputes. The focus will be on the UK with relevant comparisons being made in particular with the US where most of the reported litigation has taken place. The second aim is to provide support to what might be called minority interest groups who participate on the Internet, whether they be small business or individuals. Much emphasis is often placed on the 'rights' of the party with superior bargaining power (or clout), the big business in the trade mark domain name disputes. Too often the legitimate interests of the minority are lost in practices of '*reverse domain name hijacking*', as will be explained below. This article seeks to redress that balance by highlighting a number of the legitimate practices that individuals and small business can indulge in that are legally acceptable.

The first part of this article will focus on UK law, looking at the arguments that have been used under Trade Marks Act 1994 section 10. We will move to look at defences that might be available to the return of a domain name primarily in terms of US law where a number of arguments have been considered. We will consider how disputes were dealt with under the Network Solutions Inc. (NSI) dispute resolution policy, and move to look at the ways in which disputes are now dealt with under the rules promulgated by the Internet Corporation for Assigned Names and Numbers (ICANN).

1. Trade Marks and Domain Names

There have been many articles written on this subject both in the UK and the US[4]. These articles give an overview of the problems with the domain name system.

1.1 What is a domain name?

A domain name is part of the address of the location of a site on the Internet. For instance harrods.com is the domain name of the London department store, Harrods[5]. The portion of the address taken by 'harrods' is sometimes the part of the address that equates to the registered (or unregistered) trade mark of the person seeking to use the domain name: for instance, virgin or caesars-palace. The next part is the top level domain (TLD). .com, .net and .org are all generic Top Level Domains (gTLD's). .uk, .de and .fr are Country Code Top Level Domains (ccTLD's). It is important to note that there are three 'open' gTLD's in which any business or individual can make an application to register a domain name. As will be seen, it used to be that only one registry could register domain names in these gTLD's - Network Solutions Inc (NSI) based in the US[6]. Competition has now been opened up in these gTLD's and there are many competing registrars[7]. The policy of registrars is broadly to register on a first come first served basis. However, most operate dispute resolution policies in the event of a conflict between the holder of a trade mark, and the holder of a domain name. Those who register in the .com .org and .net gTLD's all operate the same dispute resolution policy[8]. The dispute policy operated by NSI before these changes came about was, as will be alluded to, the subject of fierce criticism.

1.2 What is a trade mark?

A trade mark is a sign or symbol that is used in the course of trade by a trader and is defined in the Trade Marks Act 1994 (TMA) as *"any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings"*[9].

A registered trade mark does not give an absolute monopoly to a trader; rather the monopoly is limited to the particular goods and services for which the mark is registered. There is nothing to stop a competing trader entering the same market with the same goods and services so long as she does

not use an identical or similar trade mark, or cause some sort of dilution to an existing mark. Similarly, subject to notions of confusion or dilution, there is nothing to stop a trader in a different market from using the same trade mark in connection with different goods and services. In addition, trade mark law is territorial. Therefore, there is nothing to stop a trader in a different jurisdiction from using the same trade mark for the same goods and services in another country.

1.3 Trade mark and domain name disputes: Why have they arisen?

The disputes have arisen first because trade mark law is territorial and the Internet is global, and secondly, because no two domain names can be identical. Therefore there can only be one microsoft.com; one avnet.co.uk; one marksandspencer.com; one prince.com, or one harrods.com. There may, however, be two or more business in the same country or in different countries equally entitled to the use of a name, but only one name of a particular variation is permitted on the Internet. prince.com is a good example in that it was the subject of a dispute between Prince plc in the UK and Prince Sports Inc. in the US. Prince plc registered the domain name first and was challenged by Prince Sports Inc.^[10] The name remains with Prince plc. This type of dispute might be viewed as “*domain name envy*”.

Then there are the cases where Internet participants, with a degree of entrepreneurial spirit, have registered domain names where very often the name is the same as or very similar to the trading name or registered trade mark of a company that is well known or famous, or which has a reputation. Generally the intent has been to do one of two things. One option might be to offer it to the owner of the registered trade mark or trading company in return for some payment. Alternatively, if it is a name that is similar to the well known name, such as porschegirls.com, the intention might be to use the domain name in an effort, not necessarily to confuse, but to draw people to the site. In other words to draw on the magnetism that attaches to the mark. The name that has been given to this type of activity is ‘domain name hijacking’ or more commonly “*Cybersquatting*”.

And finally, there are the cases where the owners of well known or famous marks have aggressively pursued policies to prevent other Internet participants from using any rendition of a name that includes or alludes to their registered trade mark, in some cases quite unjustifiably. These cases are sometimes termed “*reverse domain name hijacking*”.

Two main legal weapons have been used in these battles, the first is the law of registered trade marks, and the second is passing off. We will focus mainly on the law of registered trade marks.

2. The UK: The current scene

There have been surprisingly few cases that have, as yet, reached the courts in the UK, although one suspects that there is a great deal of activity that never reaches the stage of litigation[11]. The first case concerned Harrods (the London department store), and Michael Laurie. Michael Laurie registered the name 'harrods.com' This was handed back, after a brief (and unreported) judgement to the department store[12]. This was followed by Pitman[13] where the dispute arose because the domain name pitman.co.uk was in the first instance allocated to one party and then to another. The first party to register was given the domain name. Then there was Prince plc v Prince Sports Group Inc.[14] which, as mentioned, concerned the domain name Prince.com which was registered by the UK company and fought over by the US company who argued that it was 'rightfully theirs'. The UK court decided that there had been unlawful threats by the US company but did not discuss in detail the trade mark issue. Prince plc still have the coveted domain name, and although the litigation did at one time return to the States it has now settled. There have however been a number of more recent UK cases which have given us a little more detailed insight into the trade mark issues surrounding these controversies. We shall focus on two. The first is Avnet Inc. v Isoact Limited[15] and the second BT and others v One in a Million and others[16].

Perhaps one point worth emphasising at the outset is that there is a distinction between a trade mark and a domain name. In most cases a domain name is not a trade mark and does not function as one. A domain name is rather part of the address that points to the location of a computer on the Internet and allows one "to locate and communicate with a place or a person". However, it does not "without more, function as a trademark[17]". A trade mark is generally viewed as a badge of origin, and must be used in the consumer marketplace to signify the source of goods or services. A trade mark cannot exist in a vacuum (a registered trade mark can be removed from the register for non-use) and does not function as a trade mark if it is used purely as an address of a particular trader. As we will see, there has been an unfortunate tendency in disputes to treat the two as synonymous with little discussion and potentially far reaching consequences.

First, a brief reminder of the ways in which a registered trade mark can be infringed under the TMA.

(1) *Section 10(1) TMA* provides that that if a sign that is identical to a registered trade mark is used in the course of trade in connection with identical goods and services for which the mark is registered then there is infringement. There is no need to show any likelihood of public confusion.

(2) *Section 10(2) TMA* provides that if an identical or similar sign is used in conjunction with identical or similar goods for which a mark is registered then there is infringement if there is a likelihood of public confusion.

(3) *Section 10(3) TMA*^[18] provides that a registered trade mark is infringed in the UK if a similar or identical mark is used in relation to goods or services which are not similar to those for which it is registered, where the trade mark has a reputation, and the use of the sign without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the trade mark.^[19]

TMA 1994 Requirements for Infringement	Identical mark Identical goods and services	Identical or similar mark Identical or similar goods and services	Similar/Identical Mark Dissimilar Goods and services Reputation	Public Confusion	Takes unfair advantage Detrimental to distinctive character
Section					
10(1)	Yes			No	No
10(2)		Yes		Yes	No
10(3)			Yes	No	Yes

2.1 Avnet Inc. v Isoact Limited (Avnet)^[20]

Trade Marks Act 1994 Section 10(1)

This case can be seen as one of domain name envy. The owner of a registered trade mark tried to use trade mark law to obtain the coveted name ‘avnet.co.uk’. The case is atypical of many others in that a famous or well known mark was not in question.

Avnet Inc. a US company runs a business selling goods by catalogue and in so doing they carry advertisements for different manufacturers[21]. They registered the trade mark 'Avnet' in the UK in class 35 for advertising and promotional services. Isoact Limited, by contrast is an Internet Service Provider with a particular interest in aviation. They use the words Aviation Network and Avnet in connection with their interests. Isoact Limited registered the domain name avnet.co.uk and allowed customers to display their own advertisements on their site.

Avnet argued that Isoact infringed their registered trade mark by using the word 'avnet' in their domain name. Section 10(1) TMA was relied upon as the ground of infringement. So Avnet Inc. was arguing that the sign used by Isoact was identical to their registered mark and used in connection with identical goods and services. Therefore, looking to the specification of the goods and services, their registered trade mark had been infringed. Jacob J disagreed with Avnet. Judgement was given purely by looking to the terms of what was covered by the registration of the mark 'Avnet'. Jacob J decided that in substance Isoact were not providing advertising and promotional services within class 35 of the Trade Mark Register, but rather provided the services of an Internet Service provider. These activities would (if registered) probably fall within class 42. In other words, the services provided were different. Therefore there was no infringement under section 10(1). Therefore Isoact had a perfect right to keep and use the domain name.

This judgement is interesting for a number of reasons. First, Jacob J is well known for his crusade to keep intellectual property within reasonable limits, in particular that the monopoly conferred by each of the rights should not extend too far. This is a good example of setting just such limits. Second, Jacob J looked to the underlying registration of the goods and services and indicated that those who registered trade marks were going to have to be careful to keep these specifications within tight control if the monopoly claimed is not to be seen as too wide. And if too wide, the implication is that it will be struck from the register for non use. Thus, for anyone who infringes under section 10 (1) TMA, the infringing use is going to have to fall squarely within the registration - or there will be no infringement. Third, although Avnet already had a prior registered trade mark, there was no question of that right taking precedence over an unregistered right where there was no overlap between the services provided by the respective right holders. The domain name itself was not treated as a trade mark, which, as mentioned, has been a tendency in other cases particularly where a well known mark is in issue[22]. So the specification of goods and services in the trade mark register is still highly relevant when it comes to disputes in cyberspace.

But what if the argument was over the identity or otherwise of the registered mark? For instance,

many trade marks are registered in a highly stylised form, or with a particular font, or in conjunction with a logo. It has already been accepted that identical does not mean absolutely identical[23] and that external matter should be discounted in comparing a mark with a sign[24], and indeed it must be remembered that domain names come (at least at present) only in plain type, stylised letters are not possible. It would therefore be reasonable to assume that for words that are registered trade marks, it is the word or words that should be considered, rather than the way in which they are presented[25]. Thus, if the address 'wetwetwet.com' were registered as an address by a publisher for the purpose of selling covers for books with the words 'wet wet wet' incorporated, then that would infringe the rights of Bravado Merchandising (Services) Ltd who have a registration of the stylised words for just that purpose.

The matter of identity of a domain name with a registered trade mark has been considered in the US in the case *Jews for Jesus v Brodsky*[26]. The organisation Jews for Jesus had a registration[27] for the phrase 'Jews for Jesus' but with a stylised 'O' in the form of the star of David. The court found that it had rights to the phrase on the Internet without the stylised 'O' because such was the nature of the Internet that it was impossible to have a stylised letter in a domain name[28]. It is possible that our courts would take a similar view in the event that the argument was over the identity of a trade mark.

So from the *Avnet* case we can conclude that if you hold a registered trade mark and covet the domain name that someone else holds which incorporates an identical mark, then you are going to have to be sure that the goods and services covered in your registration are identical to the goods or services being traded on the site - or you will not win your case nor indeed the domain name using section 10(1) TMA. Also, and importantly, it is clear that a registered trade mark does not give a 'right' to a domain name; hence the need to secure domain name registration as soon as possible.

2.2 Trade Marks Act 1994 Section 10(2)

In *Avnet* Jacob J makes observations which are more pertinent to the issue of confusion than to identity between trade marks, and so are rather more relevant to an infringement that might take place under section 10(2) TMA. Indeed, he may well have had in mind cases which might arise under this section in making those comments.

So how might a trade mark domain name case brought under this section proceed? First a little background on how this section has been interpreted. We were not long with the 1994 Act before section 10(2) fell to be interpreted in British Sugar plc v James Robertson & Sons^[29]. Very broadly it was argued that the word Treat used by James Robertson in connection with a toffee flavoured spread, infringed the trade mark 'Treat' which had been registered by British Sugar in connection with dessert sauces and syrups. The test to see whether there was infringement was in three parts. First it was necessary to consider the identity/similarity of the mark with the sign; second to analyse the concept of similarity between the respective goods and services; and third, to determine whether there was a likelihood of confusion because of that similarity. In the instant case the court decided that although the marks were identical, the goods were *not* similar taking into account *inter alia* the uses of the products, their locations in supermarkets and the respective food sectors into which they fell. As there was no infringement at this stage, the third part of the test was not discussed in detail.

Had matters rested here, then the implications for a trade mark and domain name infringement actions brought under this section would have been reasonably clear. If the domain name was the same as or similar to the registered trade mark, the next question would have been, are the underlying goods and services similar, and the focus would be on the underlying goods and services covered by the registration, and that within the fairly tight guidelines drawn in British Sugar. If not, then there would be no question of infringement. If there was similarity, then the question is over whether there is a likelihood of public confusion, and this is where the comments by Jacob J in Avnet should perhaps be borne in mind. In Avnet Jacob J argued that the real concern was not that Isoact would compete with Avnet - they are clearly in a different business - but that there will be confusion when a search engine returns a hit on a particular site, over which 'Avnet' has actually been found. Jacob J then went on to say that it is actually difficult to see how such confusion could occur. Once a surfer arrived at a site, she would soon see that she was not where she actually wanted to be. In this case at aviation products rather than electronic products. The implication is that the surfer then simply presses the back button and surfs to where she want to go after a bit of a muddle as a result of the hits returned by the search engine. In other words, there is no confusion as to the origin of the goods and services (the indication of origin function of the trade mark being the most basic one). The confusion is rather over the hits the search engine returns. That is not a matter for trade mark law.

By way of illustration, on 3 March 1999, I typed the word Avnet into Yahoo! The search engine returned 74 hits. The first five were for the domain name avnet.com and clearly were the plaintiffs sites; the sixth was for avnet.co.uk and was the defendants site - quite clearly from the explanatory text. At about hit 15 there was an avnet.irl which was concerned with security systems and appeared to have no connection to either Avnet Inc. nor Isoact Ltd. This writer was personally not confused,

and certainly not as to the origin of the underlying goods and services. Potential customers of either Avnet or Isoact will find what they are looking for.

However, as always, things are not that simple. The European Court of Justice (ECJ) has ruled in Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.[\[30\]](#) that the first important factor to decide on when determining liability under section 10(2) is the distinctive character of the mark, and in particular its reputation. The more distinctive the mark and the greater its reputation, the wider the ambit of goods and services which should be considered similar to those represented by the mark, and which are therefore more likely to give rise to a likelihood of confusion. Thus, a mark which is distinctive and has a reputation will have protection over a wide range of goods; a weak mark will have protection over a narrow range of goods. The question of similarity of goods and services, therefore, depends on the distinctiveness and reputation of the mark[\[31\]](#).

This of course begs a whole number of questions such as how do you determine how distinctive a mark is? What does reputation mean? How dissimilar must goods and services be before they fall out of the ambit of this protection? Leaving aside these questions for a minute, it is clear from this ruling that the monopoly conferred on a registered mark is expanding.

What are the implications for trade mark and domain name disputes in the UK? It would appear that it would be much easier to claim protection under section 10(2) TMA than section 10(1), particularly where it can be argued that mark has a distinctive character and a reputation (however either of those may be proved[\[32\]](#)). Let us take the example of Avnet discussed above. It is not in issue that the sign used by Isoact was identical to the trade mark. What of the distinctive character and reputation of the mark? Avnet is a made up word with a distinctive character - and if registration was accepted without evidence of use, this will already have been accepted. In addition, it will have been used in the course of trade for a while, so will have some reputation. Looking to the services provided by the two companies it would not be difficult to argue that they are similar - both relate to advertising services. This may then give rise to a likelihood of confusion and therefore infringement under section 10(2) TMA. That is, unless it is accepted that the confusion only arises when the search engines turn in hits, rather than when the web pages are actually accessed, and it becomes clear to the surfer that they have arrived at the wrong site. Avnet might therefore have won their case had it been pled under section 10(2).

With this shift in emphasis by the ECJ, we also see a potential shift in domain name disputes, from

the position where trade mark protection is accorded to the underlying goods and services for which there is a registration, to the position where trade mark protection is accorded to the domain name itself. Although the discussion in Canon was over the width of protection accorded to the underlying goods and services, the effect is that, the broader the protection for these goods and services, the stronger the protection for the mark itself - the domain name.

2.3 British Telecommunications and Others v One in a Million and Others [33] (One in a Million)

Trade Marks Act 1994 Section 10(3)

The judgement in Canon moves questions of infringement brought under section 10(2) TMA much closer to the considerations necessary for infringement under section 10(3), and starts to blur the distinction between the two. As mentioned, section 10(3)[34] TMA focuses on questions of dilution of trade marks. It is similar to provisions mainly used in the US to deal with problems of cybersquatters[35].

Section 10(3) was considered, albeit very briefly in One in a Million[36]. In this case a number of domain names including marksandspencer.com, bt.org, britishtelecommunication.net were registered by, among others, One in a Million. The case was decided primarily by looking to the law of passing off, and by some extension of existing principles, the court determined that by registering the domain names the defendants had created instruments of deception. Thus the domain names had to be handed back to the trade mark and brand owners. The judgement has been criticised[37]. It is said that the bounds of the tort of passing off were extended - by implication possibly too far; and that it is not at all clear that even if a case of passing off is made out, that would necessarily provide the remedy required. In dealing with section 10(3), Aldous LJ seems to have considered that the domain name itself was the trade mark, observing that the domain names were registered to take advantage of the distinctive character and reputation of the marks, which was both unfair and detrimental. Section 10(3) was therefore infringed. The court made clear its dislike of these practices. But in the cursory examination of trade mark law has left a number of questions unanswered.

First, it begs the question as to what is a mark with a reputation, and therefore one that would fall under this provision; and secondly, what is meant by taking advantage of the distinctive character or

repute of a mark, more commonly known as dilution? The questions are important because there seems to be a body of judicial decisions developing which concern these marks, and which when looking at Internet disputes accords them 'special protection'. The wider this special protection gives to these marks, the more problematic it is for an individual or small business on the Internet to use any version of these marks for what may be legitimate business or personal reasons, without fear of being challenged by the mark owner. The marks are often owned by large businesses who will police any 'unauthorised' use aggressively.

2.3.1 What is a well known or famous mark or one with a reputation?

There appears to be only patchy international consensus as to what a famous or well known mark is. In addition, terminology is used inconsistently, and comes with notions of 'reputation' and 'distinctiveness'. The Paris Convention, Article 6bis refers to 'well known marks' [38] as does section 56 of the TMA: Section 10(3) TMA refers to marks with a 'reputation'. The court in Canon referred to 'distinctive' marks with a 'reputation'. Certain cases in the US dealing with question of dilution in the context of trade marks and domain names have referred to 'famous' marks [39].

It would appear that *famous* marks are those well known marks that are so famous that protection is accorded in respect of dissimilar goods and services. This is usually subject to certain conditions. For instance that the use of the infringing sign would indicate a connection in the course of trade between the owner of the mark, and the goods and services belonging to the third party, and that the interests of the owner of the famous mark are likely to be damaged by such use. *Well known* marks on the other hand are those which require protection against use in connection with the same or similar goods or services for which the well known mark is registered [40]. Often these terms are used almost synonymously - but it would help if they were separated.

Then there is the term *reputation* used in the Trade Marks Directive [41] and in the TMA [42], and which indeed was used in Canon. Mostert [43] argues that a lower evidentiary threshold is required to establish that a mark has a reputation, merely that proof that the necessary reputation or secondary meaning has been acquired, '*in the sense of being exclusively associated with the owner's goods or services*' [44]. So protection may be extended to marks which are neither famous, nor well known.

Many jurisdictions have developed guidelines^[45] as to what constitutes a famous or well-known mark. It has been one of the tasks facing the World Intellectual Property Organisation (WIPO) for several years now, and indeed in March 1999, the Standing Committee on the Law of Trademarks, Industrial Design and Geographical Indications (the WIPO SCT) adopted a list of factors as the recommended non-exhaustive criteria to be considered in determining whether a mark is well known^[46].

Although one can try to identify the various marks that would fall into the category of being famous or well known, actually compiling lists of those included when one would be looking at least at all Paris Convention countries, is a mind boggling task. However, it is not one that should be ignored. After all, if these marks are to get special protection, then there should be something very special that distinguishes them from others. A starting point for Internet purposes might be that as the Internet is accessible globally, then only those marks that are known globally should be included, which may only be a very very small number. But keeping the numbers very low, at least for Internet disputes would ensure that not too many are taken out of circulation for legitimate use by third parties.

2.3.2 What is dilution?

Well known or *famous* marks, or marks with a *reputation* are in a particular category of trade mark law in that they can be infringed by ‘dilution’. This can occur in two main ways, either by *blurring* or by *tarnishment* of the reputation. When blurring occurs there is an erosion or watering down of the distinctive quality of the mark, and therefore the ability to use that mark to call in mind the product. So if the mark ‘Kodak’ becomes well known in connection with cameras and films, and then is used on a wide variety of dissimilar products, its ability to call in mind films and cameras decreases. By contrast, using a trade mark in an offensive or unsavoury context could tarnish the ability to the mark to call in mind positive associations with the goods or services. For example the German Federal Supreme court prohibited use of the mark 4711 which was well known in Germany in respect of perfume, from being used on the side of a van belonging to a sewer company, despite the fact that the mark comprised the phone number of the sewer company.

However, there are a growing number of cases where dilution is pled and there is neither blurring nor tarnishment. Nevertheless the courts will find that a well known or famous mark is infringed. In these cases the proprietary overtones of a trade mark are emphasised and the trade mark perceived as

being protectible as a thing in itself^[47] rather than fulfilling the function of an indication of origin. For instance in Germany, the term ‘Rolls Royce’ was not capable of being used for high class whisky, a non competing product even, where there was no evidence of blurring or tarnishment. What there was however was an attempt to trade upon the reputation of the famous ‘Rolls Royce’ mark, and the courts were willing to protect this commercial magnetism attaching to the mark. By contrast in the US the mark ‘Dom Perignon’, which was registered for champagne, was not held to be diluted by the use of the words Dom Popignon for popcorn sold in a champagne shaped bottle, because the court was not satisfied that either blurring or tarnishment of the mark had occurred^[48].

In the UK, the courts have been struggling with the concept of dilution, particularly as confusion is not required for infringement. Some interesting comments have been made in the context of registration of marks under section 5(3) TMA^[49]. Oasis Stores Ltd’s Trade Mark Application^[50] concerned an application to register the mark ‘Eveready’ for contraceptives and condoms. The application was opposed by Ever Ready plc, the owner of numerous ‘Ever Ready’ words and device marks for *inter alia* batteries, torches, plugs and smoke alarms. Ever Ready plc claimed that registration of the mark would be contrary to section 5(3) .

In giving its judgement, the court said that simply being reminded of a similar trade mark with a reputation for dissimilar goods did not necessarily amount to taking an unfair advantage of the repute of that trade mark. Section 5(3) was clearly not intended to have the sweeping effect of preventing the registration of any mark which was the same as, or similar to, a trade mark with a reputation. In addition, when considering detriment it was appropriate to take into account the inherent distinctiveness of the earlier trade mark, the extent of the reputation which it enjoyed, the range of goods and services for which it enjoyed a reputation, the uniqueness or otherwise of the mark in the marketplace, whether the respective goods/services, although dissimilar were in some way related, or were likely to be sold through the same outlets, and whether the earlier trade mark would be any less distinctive for the goods/services for which it had a reputation than it was before.

These guidelines take us back closer again to the considerations under section 10(2) originally identified by Jacob J in British Sugar. If they were applied in domain name disputes, the focus would remain on the underlying goods and services for which the mark was registered, and not on the domain name itself as a trade mark. In addition, it would allow many more applicants to have domain names that were similar to marks that were well known within the meaning of section 10(3) ^[51].

However, judging by One in a Million it would appear that these terrestrial guidelines are not being applied in domain name cases. For some of the marks in One in a Million, there was no registered trade mark in issue, and the question was one of passing off. However, for a few of the marks in question, the TMA was relevant. But there was only cursory analysis of section 10(3). Rather than getting into the depths of questions about well known and famous marks, and notions of dilution, the courts are rather seizing on their dislike of cybersquatting and developing the view that where it appears there might have been some nefarious practice, the cybersquatter is charged with creating an instrument of deception. This may present a number of problems if (and when) more difficult questions come before the courts. For instance, one wonders what the outcome would have been in the Oasis case, had the battle been over the domain name eveready.com[52] and if Oasis Stores Ltd had actually been the first to register the domain name eveready.com, and used it to sell their wares. In addition, as we will argue, there are a number of legitimate ways in which these famous and well known marks could be used as domain names by traders who do not own the marks. A brusque analysis characterising registration of domain names consisting of a famous or well known marks as instruments of deception in all circumstances, may well ignore some of the legitimate defences that might be available in trade mark law[53].

2.3.3 What is the relevance for Internet Domain names?

The danger in taking this wide approach to notions of dilution, is that the focus of protection given shifts from the underlying goods and services, to the domain name itself; and it is only a short leap from taking that view, to taking the same view when dealing with infringement under sections 10(2) and 10(1). The domain name itself is then protected. It suggests, that given time, so long as you have a trade mark bearing the name you wish to protect, you will have a right to the domain name. This is what, in essence, had been the subject of such fierce criticism in the NSI dispute resolution policy (discussed in more detail below[54]), where preference for domain names was given to traders who held a registered trade mark for a word, thus ignoring both unregistered rights and concurrent rightholders.

It has to be said that there is some acceptance that a domain name can become a trade mark if it is used as a trade mark[55]. However, when a domain name is used only to indicate an address on the Internet and not to identify the source of specific goods and services, the name is not functioning as a trade mark[56]. It is imperative that the distinction between the two is maintained.

The seeming divergence when trade mark law is applied to domain name disputes as compared with terrestrial disputes, arguably leads to the conclusion that, for well known or famous marks at the very least, there should be some sort of special Internet related protection or body of rules which would deal with disputes concerning domain names. This was one of the proposals that was made by the World Intellectual Property Organisation (WIPO) which, although not currently implemented, may emerge at some point in the future. This will be discussed in more detail below[57].

Technical solutions to the domain name disputes are imaginable, but there seems no great enthusiasm to pursue them. With all the brilliant minds focused on the workings of the Internet, one would have thought that just technical fixes would be found. In addition, arguably, the most severe problems are faced by the owners of famous and well known names - just the interest group that might have the resources to invest in finding solutions[58]. However, perhaps the last people who actually want the domain name system dismantled are the same well known and famous mark owners. The domain name gives them an excellent advertising tool; an intuitive way to find their home pages on the Internet[59]. These mark owners want domain names and not some anonymous numbers or topic searches in search engines which might lead to sites belonging to competitors.

However, under trade mark law there are a number of defences to actions of trade mark infringement which do not yet appear to have been considered in the UK, and which may be relevant to cases of domain name envy, and to the practice of cybersquatting. A number of US cases have looked at possible defences, and in many instances we have similar provisions in our legislation. We thus turn to the US jurisprudence in this area.

3. Defences to demands for the return of a domain name

Trade mark holders - particularly those of famous or well known trade marks - are extremely vigilant at protecting their trade mark rights on the Internet. To an extent this is justified. If they do not look after their marks, the danger is that they become generic and thus lost to the public domain. But, there are many cases where the use of a mark by a third party, which is the same as a registered trade mark, is perfectly legitimate. Unfortunately these uses are often not either appreciated by the trade mark owners, or they contest that any such use is legitimate. This has resulted in a number of cases of *reverse domain name hijacking*, where the trade mark owner will take action, regardless of the merits of the case. It is most often the small business or individual who suffers as a result. However, the holder of a domain name should not be too quick to give it up in the face of pressure.

The use may be quite legitimate.

3.1 'Use in the course of trade'

One of the first defences that was pled in the US, in particular by cybersquatters was that the domain name was not being used in the course of trade. The mere registration of the domain name, without more, was not sufficient to satisfy this test, or so it was argued. Thus there was no infringement. Much academic ink has been spilt in trying to determine the question. Suffice it to say that the issue has not been one that has overly troubled the courts in particular when the question is one of cybersquatting. The courts have been happy to find that mere registration, with a hint of the possibility of selling the domain name either to the owner of the famous mark, or to a third party[60] sufficient to satisfy this test, particularly where the action has been brought against the domain name holder[61]. In other cases, where it has been NSI that has been sued for infringement for actually registering the domain name, the courts have been willing to say that the mere act of registering a domain name is not a commercial use of a mark[62], but that would seem rather to be a decision taken that it is not the registry that should be sued but rather the registrant. The distinction would seem without difference, particularly if the intent is difficult to show. However, it reinforces the view that courts do not like cybersquatting and are willing to grant remedies, even if they involve creative use of trade mark law.

3.2 Non-commercial use: Free Speech

A defence of non-commercial speech and of free speech has surfaced several times in the US. In Jews for Jesus v Brodsky[63], Brodsky registered the domain name JewsforJesus.com. He used the web site to make disparaging comments about the organisation 'Jews for Jesus' who had a registration for that phrase. When challenged, Brodsky pled non-commercial speech and free speech as defences; arguing that he was just using the domain name as an identifier to makes comments about an organisation whose policies and teachings he disagreed with. However, the court said that he had done more than just register the name; rather, the site was a conduit to another organisation that sold merchandise. Importantly the court also noted that Brodsky's actions were in bad faith. The judgement was based on similar reasoning to that in Planned Parenthood Federation of America Inc. v Bucci[64] which involved a web site set up by Bucci, using the domain name plannedparenthood.com. Bucci used the web site to make anti-abortion statements and promote sale of an anti-abortion book. Free speech was argued as a defence. The court said that the information

was not protected free speech because it was not part of a communicative message. The use of the domain name was more akin to use as a source identifier.

What becomes clear from an analysis of these cases is that if there is an element of bad faith by those registering the domain names in the use of the web site, then any reliance on free speech will not be accepted. Rather the court will find, by whatever route, some tarnishment, commercial use or other overriding criterion that will trump the non-commercial and free speech arguments.

Do we have similar provisions, or indeed protections in our legislation? The requirement that a trade mark be used 'in a trade mark sense' for infringement is no longer relevant under the TMA[65]. If the question is one of dilution of a famous mark, the question may be whether the use was without due cause. It is likely that, if the facts were similar to the US cases, the courts would be willing to find some sort of tarnishment and therefore infringement. The question of free speech may, of course, also be raised as a result of the forthcoming UK incorporation of the European Convention on Human Rights into domestic law. Although it does not appear that free speech has been pled directly as a defence in a trade mark case in the UK to date[66], it has surfaced in a copyright case [67] and given its potential but, as yet untested breadth, it is likely that it will arise in consideration of these issues probably in the not too distant future.

3.3 Parodies

The defence of parody is another that has cropped up several times in the US. Parodies of trade marks are accepted under certain circumstances. So, in a non Internet case, a wild boar was called Spa'am in a Muppet Treasure Island Film. This was held not to dilute the mark 'Spam' which had been registered for pork & ham luncheon meat[68] because it was said the public identification of the mark with the owner would be increased: "*the joke magnifies the mark because it increases the fame*". Thus there was no blurring. Likewise, the mark was not tarnished because the character was likeable and positive[69]. It is certainly heartening to see that judges have a sense of humour. Would the same result be achieved on the Internet in relation to domain names? There certainly are parodies of well known names: thus there is DrudgeRetort.com - a parody of the well known Internet journalist Matt Drudge; and there was a Peta.org; the domain name for a web site set up by a group calling themselves 'People Eating Tasty Animals'; a parody of the organisation 'People for the Ethical Treatment of Animals'[70]. Sadly, this last one was the victim of NSI's dispute resolution policy which allowed no defence of parody .

3.4 Identifying goods and Services

Another acceptable use of a trade mark is to use it to identify the goods and services belonging to the trade mark owner[71]. Thus, subject to certain parameters, a garage selling parts for Volkswagen cars will be able to use the term 'Volkswagen' in connection with its trade[72]. One particular way in which this issue has arisen in the US, is where a trade mark was used within the file directory path of the Internet address, only to the right of the Top Level Domain.

In Patmont Motor Works Inc. v Gateway Marine Inc[73], Gateway used the URL www.gateway.com/goped for a web page giving information about 'Go-peds' they distributed. Patamont complained that this was infringement of its trade mark 'Go-Ped'. The court said that this was not a trade mark and domain name dispute, and that the use of a trade mark in the part of the address listing directory information and file names, does not suggest that the trade mark owner sponsors or endorses the site. The use was thus protected by the US fair use defence[74]:

In the UK, apart from the express provisions in the TMA which could be interpreted to include this type of use of a registered mark[75], we have also had an interesting ruling from the ECJ. In Dior v Evora[76] a dispute arose between Dior France and Evora, a drugstore in the Netherlands. Dior France objected to the way in which Evora presented advertisements in its promotional material advertising the Dior products. Dior argued that such use in a downmarket store harmed the image and reputation of their mark. The question was whether there were any 'legitimate reasons' within the meaning of Article 7(2)[77] of the Trade Mark Directive, to argue that the allure attaching to high quality goods could be impaired by the use of the mark in certain ways. Broadly, the ECJ said that damage done to the reputation of the trade mark might in principle be a legitimate reason for arguing such 'tarnishment'. Therefore the reseller must not act unfairly in relation to the legitimate interest of the trade mark owner, and must advertise goods in a way that would not damage the reputation of the trade mark owner. By analogy, there would be limits on the ability to use a registered trade mark within a URL of a website; however, used fairly, there would appear to be no reason why resellers of products should not do the same as Gateway. The implications may be that so long as the use is fair, why should a reseller not use the registered trade mark as part of, or as, the second level domain name?

3.5 Use of Personal Names

There are a number of significant differences in various jurisdictions in relation to the use of personal names, both as trade marks and as domain names. In the UK, one of the specific exceptions to infringement in the TMA is the use by a person of his own name or address[78]. Hence, when there was much angst in Scotland recently over McDonald's, the fast food chain asserting its rights to the name McDonald[79], it was possible to reassure those Scots (and others) with the surname McDonald, that they would in no way be prevented in using it in (almost) any way that they wished. This would, or most certainly should, include use as a domain name. However, in Germany, there has been a recent dispute over the name Krupp[80]. A certain Herr Krupp registered the domain name Krupp.de in 1995. He was operating an on-line agency and offered Internet related services to the public. This was challenged by the German steel company bearing that name and who wanted the domain name. The Court held that a company with an outstanding reputation can prohibit the use of its usual name as a domain name by others. However, the court was only able to prevent the use of the name by Mr Krupp, not to order transfer to the steel company[81].

The case is rather concerning as all Member States are now working from the same directive, albeit that it may be implemented rather differently in national laws. One can imagine the outcry in Scotland should Mr McDonald McDonald from Aberdeen have registered the domain name McDonalds.com being ordered to stop using it on account of the reputation of 'McDonald' of golden arches fame. Another interesting name case is now coming to light. In an effort perhaps to comply with the rules on the use of personal names, a Doc Seagle who registered the domain name oxforduniversity.com, has changed his name to Mr Oxford University. The matter is apparently in the hands of the University lawyers[82].

Generally, celebrity names are not registerable as trade marks in the UK[83]. However, it does appear that personal names are registerable as Community trade marks under the Community Trade Mark Regulation[84]. The name 'Dodi Fayed' was registered by Harrods Limited[85]. Dodialfayed.com was registered as a domain name by a Robert Boyd. An Administrative Panel Decision by WIPO[86] ordered this to be handed back to Harrods Ltd[87]. In the US, a new Act called the Anticybersquatting Consumer Protection Act[88] broadly provides for protection against cybersquatting for domain names where those domain names consist of personal names that have been registered as trade marks.

These differing approaches both to registration of personal names as trade marks, and the use of personal names as domain names has already caused quite some conflict: one can imagine that there is a lot more to come.

4. The NSI approach to resolution of Trade mark and domain name disputes.

The Old approach

Historically, a number of the disputes that arose in relation to trade marks and domain names were, at least in part, fuelled by NSI's domain name allocation policy and dispute resolution procedures [89]. What is clear is that in at least some cases of dispute, there were defences to what appeared to be an infringement of a trade mark. Yet it was not clear that these were given full weight in the NSI dispute resolution process.

Without going into in detail, NSI's dispute policy broadly stated that domain names were registered on a first come, first served basis[90]. In the event that the holder of a registered trade mark appeared claiming a 'right' to the domain name (the complainant), NSI would take a number of steps.

1. *NSI would determine the domain name registration date.*
2. *If this date preceded the date of the trade mark registration (of which NSI required a copy), then NSI would take no further steps.*
3. *If however it was after the date of the trade mark registration, NSI requested evidence of the domain name owners trade mark. The date of registration of the trade mark had to be prior to the date on which the dispute began. If the domain name owner produced this, then no further action was taken.*
4. *If the creation of the domain name was after the date of the registration of the trade mark owned by the complainant, and the domain name holder had no trade mark pre-dating the complaint, then the domain name holder had to choose within 30 days, one of the following options:*
 - a. *to provide the certified trade mark dated prior to the complaint;*
 - b. *to relinquish the domain name to the complainant;*
 - c. *to register a new and different domain name;*

d. *to file a civil action.*

If the owner did none of these, then the domain name was put on hold where it would stay until the parties resolved the dispute, or a court determined who was entitled to the domain name or the complainant requested that it not be put on hold.

This dispute resolution policy was rightly criticised for providing far too much ammunition to registered trade mark holders, and taking no cognisance of other intellectual property rights. Thus, the owner of the registered trade mark 'Fellowes' for stationery might be able to wrest the domain name fellowes.com from the garden centre called Fellowes who had registered the domain name first, but who had no registered trade mark right on which to base the name. Many examples of 'stronger' parties using the resolution procedures to their advantage exist.

Two cases which reached court in the US were Data Concepts Inc. v Digital Consulting Inc.[91] over the domain name DCI.com[92] and CD Solutions Inc. v CDS Networks Inc.[93] over the domain name cds.com. In both of these cases, a small entity found itself having to take court action in order to preserve a domain name over which there should have been no question but that the right of the first to register should have been preserved. It was the dispute resolution policy, which would have meant that the domain name would have been put on hold, unusable by the first to register, that forced the smaller party into litigation. In the first case over the domain name dci.com, the court found there to be no confusion, and in the second case over the domain name cds.com, the court found the combination of letters to be generic[94].

There are many other unreported semi-anecdotal tales of strong arm tactics used to try to obtain coveted domain names using the NSI dispute resolution policy as a basis. Thus for example, the domain name 'pokey.org' was used by an individual for his web site because it was the family nickname for him. A toy company challenged this as infringement[95] of one of their registered marks. Again the dispute was fuelled by the provisions of the NSI dispute resolution policy. Other domain names may represent parodies. For example, the domain name mentioned above, peta.org. The animal rights organisation contested the registration under the NSI dispute policy and won because the policy allows no parody defence. The group 'People Eating Tasty Animals' did not have the resources to take court action.

Finally, domain names may have been registered for legitimate commercial use by small businesses who also lacked the resources to defend themselves against an attack by a large company. For example the school supply company that was forced to hand over its 'Pony.com' domain name when confronted by the athletic shoe manufacturer Pony International.

But time has moved on, and in the last year there have been significant changes to both the regulation of domain names, and the dispute resolution procedures.

5. Regulation of domain names and trade mark and domain name disputes.

The new gTLD approach.

Over the last two years there have been changes to both the management of domain names, and to the resolution of disputes in the open generic Top Level Domains (gTLD's).[96] NSI, up to September 1998, had sole responsibility for allocation of domain names in the gTLD's, under a contract with the National Science Foundation. This contract expired at the end of September 1998. Prior to that date, there was much discussion as to the future regulation of the Internet, not only of allocation domain names under the gTLD's, but in relation to monitoring and promotion of other standards used by the Internet community. One of the first moves was the formation of the International Ad Hoc Committee (IAHC)[97] "*at the initiative of the Internet Society and at the request of the Internet Assigned Numbers Authority*" with a view to trying to resolve the problems created by the domain name system. It proposed that a further seven gTLD's be created, and that multiple competing registrars be set up to administer the system. A memorandum of understanding (MoU)[98] was drafted which provided for, among other things, a council of registrars, a policy advisory board and a policy oversight committee.

Not all were happy. The US were concerned about the involvement in the IAHC, of the International Telecommunication Union, and unclear about the role of other organisations such as WIPO[99]. The US government expressed the view that reforms should be driven by the private sector, and so initiated a consultation process inviting comments on future regulation of the domain name process. A report was produced[100]. Initially this was viewed with some scepticism by the EU[101], but eventually agreement attained. From this rather ad hoc, self regulatory, state encouraged (controlled?) international mish mash of events, the Internet Corporation for Assigned Names and Numbers (ICANN) emerged. ICANN is a non-profit corporation which has taken over

“responsibility for the IP address space allocation, protocol parameter assignment, domain name system management, and root server system management functions now performed under US Government contract by IANA and other entities”[\[102\]](#).

One of the events that occurred during this process was that WIPO was invited to prepare a report on three particular aspects of the domain name process. First, to develop recommendations as to how domain name disputes involving cybersquatting could be resolved. Second to recommend a process for protecting famous marks in the gTLD's, and third to make recommendations for the introduction for new gTLD's[\[103\]](#). In this role WIPO undertook a number of virtual and physical consultations around the world to achieve the goals set out in the invitation[\[104\]](#). In the course of this process WIPO produced an Interim Report[\[105\]](#) which contained some interesting, but highly controversial proposals. Broadly WIPO proposed a scheme for alternative dispute resolution (ADR) of all intellectual property disputes that involved domain names [\[106\]](#). The suggestion was that, in the event of a dispute, arbitration by WIPO would be compulsory in the first instance, but allow appeal to the court thereafter. As far as choice of law was concerned, WIPO suggested that the Arbitrator should make reference to the particular laws that the circumstances of the case dictated, and to choose from principles established in domain name disputes in national courts, having regard to the interests of the trade mark holder and the registrant.

The proposals were the subject of fierce criticism from a number of quarters[\[107\]](#). It was argued that the ADR process would invariably favour the holder of the registered trade mark. It was also said that the proposals were far too wide. WIPO (in the invitation to become involved) were only charged with proposing resolution of disputes involving cybersquatting. The proposals in the Interim Report by contrast sought to solve every domain name dispute imaginable. Finally, it was argued that the proposal that different principles of law from various jurisdictions should be applied depending on the dispute and the interests of the litigants, would result in uncertainty and unpredictability in giving advice in future disputes. There is no doubt that these were valid criticisms. WIPO, after a further period of reflection and consultation produced their Final Report [\[108\]](#) which changed quite significantly from the Interim Report. There were three significant recommendations. First, the proposal that ICANN should adopt a dispute resolution policy, under which a uniform administrative dispute resolution procedure be made mandatory for domain name disputes in all gTLD's. In contrast to the proposal in the Interim Report, the suggestion in the Final Report was that the scope of this administrative procedure be limited to *abusive domain name registration*[\[109\]](#). It was not, however, to be limited to famous or well known marks (cybersquatting), but to cover all those domain names where they are identical or confusing similar to a trademark or service mark in which another party (the complainant) has rights, although registration of the mark is not necessary. The second proposal in the Final Report[\[110\]](#) was that

there should be various exclusions put into operation for holders of well known and famous marks in the open gTLD's[111]. A panel of experts would be set up who would decide[112] whether a mark was sufficiently famous or well known enough to qualify for an exclusion. If exclusion were granted, then the registries would not register a domain name consisting of the trade mark for anyone but the trade mark holder. For similar domain names, a presumption would operate whereby the holder of the exclusion relating to the mark, who wanted to challenge a domain name registered by an unrelated party, would be required to show that the domain name was confusingly similar to the mark which is the subject of the exclusion, and that the domain name was being used in a way that was likely to damage the interests of the owner of the mark. On showing this, the burden of proof in the procedure would shift to the domain name registrant to justify that its registration of the domain made was in good faith, and to show why that registration should not be cancelled[113]. The third proposal concerned the introduction of new gTLD's. WIPO recommended that new gTLD's should only be introduced when improved registration practices were introduced, together with the dispute resolution procedures and exclusions suggested in the WIPO report.

These proposals were submitted to ICANN for consideration. ICANN has its own procedures whereby proposals are considered by one or other of its working parties[114]. Members of the public at large can become involved through discussion lists[115]. Of the three recommendations made by WIPO, to date only an amended form of the dispute resolution procedure has been implemented. The ICANN Domain Names Supporting Organization (DNSO) is currently working on formulating recommendations as to whether new gTLD's should be introduced, and if so how many and what, if any, limitations on registration should apply. The DNSO has invited comments to be submitted by 20 April 2000.[116]

5.1 The Dispute Resolution Procedure.

On 24th October 1999 ICANN adopted a dispute resolution policy, based partly on the proposals submitted by WIPO, but amended to reflect concerns that had been raised, in particular that some aspects of the policy did not adequately meet individual and non-commercial uses of trade marks, free speech defences, the right to court review of a decision, and the iniquities of *reverse domain-name hijacking*[117].

In general, ICANN's dispute resolution policy provides that registrars receiving complaints concerning the impact of domain names they have registered on trade marks or service marks, will

take no action until they receive instructions from the domain-name holder or an order of a court, arbitrator, or other neutral decision maker deciding the parties' dispute. In cases of abusive domain name registration, the complaining party (the Complainant) can invoke a special administrative procedure to resolve the dispute. Under this procedure, the dispute will be decided by neutral persons selected from panels established for that purpose. The procedure will be handled in large part online, and is designed to take less than 45 days. Parties to such disputes are also able to go to court to resolve their dispute or to contest the outcome of the procedure^[118].

The important parts of the dispute resolution policy state (where 'you' have registered the domain name that is contested by the Complainant):

4 a. Applicable Disputes. *You are required to submit to a mandatory administrative proceeding in the event that a third party (a 'complainant') asserts to the applicable Provider, in compliance with the Rules of Procedure, that*

(i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and

(ii) you have no rights or legitimate interests in respect of the domain name; and

(iii) your domain name has been registered and is being used in bad faith.

In the administrative proceeding, the complainant must prove that each of these three elements are present.

b. Evidence of Registration and Use in Bad Faith. *For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:*

(i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or

(ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or

(iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) *by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location*[\[119\]](#).

Each of the competing registrars authorised to register names in the .com, .org and .net gTLD's[\[120\]](#), must sign up to this dispute resolution process[\[121\]](#). Those who register domain names then agree to be bound when registering a domain name. So the policy is (or will be[\[122\]](#)) uniform in these gTLD's. So far, three[\[123\]](#) providers have been accredited as recognised to hear disputes arising under this dispute resolution process[\[124\]](#). WIPO, the National Arbitration Forum, and the Disputes.org/eResolution.ca Consortium (eResolution)[\[125\]](#).

5.1 A sample of disputes heard under the dispute resolution policy.

To date (6 April 2000), 260 cases have been filed with WIPO[\[126\]](#), 288 cases with the National Arbitration Forum[\[127\]](#), and 38 with eResolution[\[128\]](#). WIPO has made decisions in 66 of the cases, of which 52 domain names have been ordered to be handed back to the complainant, and 14 remain with the person registering the domain name (the respondent). The National Arbitration forum have so far ordered 46 domain names to be handed back to the complainant, and allowed 9 to remain with the respondent. eResolution have decided 7 cases, and ordered 5 to be transferred to the complainant, while 2 have stayed with the respondent.

5.2 Whose Law applies when Arbitrators decide a dispute?

The rules under the ICANN policy give to the Panel deciding the case the authority to take into account the ICANN rules and '*any rules and principles of law that it deems applicable*'.[\[129\]](#)

The first decision was made by WIPO in World Wrestling Federation Inc v Michael Bosman[\[130\]](#). The dispute was over the domain name worldwrestlingfederation.com which had been registered with MelbourneIT in Australia, but both the complainant and the respondent were domiciled in the US. The ICANN dispute resolution policy requires a complainant to show that the domain name has

been registered and *used* in bad faith to prove abusive registration. It did appear in this case that the thorny issues over ‘use’ might prove to present the same sorts of problems that they have for the terrestrial courts. In order to determine what was meant by ‘use’ the Arbitrator looked to two US cases, Panavision International LP v Dennis Toeppen [131] and Intermatic Inc v Toeppen [132]. No cases from any other jurisdiction were considered. The Arbitrator found that the act of registering the domain name and offering it for sale to the Wrestling Federation was sufficient to constitute use. As far as any legitimate use that Michael Bosman might have been making of the domain name, the Arbitrator noted that he had not developed a web site, nor was it his nickname, nor the name of a member of his family, the name of a household pet, nor or in any other way identified with or related to any legitimate interest that he had. Thus the domain name was ordered to be transferred to the Complainant.

The second case decided by WIPO, Robert Ellenbogen v Mike Pearson [133] concerned the domain name musicweb.com. US law was again referred to for guidance. The Arbitrator pointed to the ICANN rules and to the WIPO Final Report which stated *‘if the parties to the procedure were resident in one country, the domain was registered through a registrant in that country and the evidence of bad faith registration and use of the domain name related to actively in the same country, it would be appropriate for the decision-maker to refer to the law of the country concerned’* [134]. In this case, the complainant, respondent and the registrar were all domiciled in the US. Intermatic Inc. v Toeppen was again referred to for clarification of the word ‘use’ with the result that the domain name was ordered to be transferred to the complainant.

By contrast, the focus of the Arbitrators from the National Arbitration Forum would appear to have been on Paragraph 4 (a) of the ICANN dispute resolution policy (reproduced above) rather than on the law of any particular jurisdiction. An Arbitrator from eResolution on the other hand, quoted both the US Anticybersquatting Consumer Protection Act and a recent US case [135] in a decision where the complainant and respondent were based in California [136]. Other, more recent cases from each of the providers seem to lay more stress on Article 4 of the dispute resolution policy, emphasising the need for the complainant to prove that she has rights in the name, that the respondent has no legitimate interests, and that the name has been registered and used in bad faith.

5.3 What constitutes bad faith?

A very important part of the dispute policy requires the complainant to show that the respondent has

registered and used the domain name that is being contested, in 'bad faith'. A number of factors are emerging which are clarifying the meaning of 'bad faith'. Thus, efforts by the respondent to sell a domain name tend to weigh in favour of finding bad faith[137], but are not necessarily fatal[138]. In common with well established principles of trade mark law, intentionally creating a likelihood of confusion for consumers will count against the respondent[139]. In addition, failure to use a domain name[140], as well as failure to defend against allegations of abusive registration, can count against the respondent, as can a pattern of registering domain names incorporating various names unrelated to the business of the respondent[141].

However, the mere fact that the complainant has a registered trade mark covering the domain name does not give automatic rights in the domain name. In addition, if the respondent registers a domain name that incorporates the complainants trade mark, and offers to sell that domain name, that may not of itself amount to abusive registration. Rather the burden of proof is on the complainant to show that all elements of the dispute resolution policy are fulfilled. In Car Toys Inc v Informa Unlimited Inc.,[142] Informa registered the domain name cartoys.net. Car Toys Inc., the owner of the trade mark 'Car Toys', demanded that this be relinquished to them. Informa refused. The Arbitrator found the fact that Car Toys Inc. had a trade mark in the words was irrelevant. What was more, Informa were in the business of buying and developing descriptive domain names for sale, but that activity of itself did not constitute abusive registration. Car Toys Inc. had therefore not proven that Informa had no legitimate interest in respect of the domain name in dispute, and the domain name could stay with Informa. This case is particularly interesting because it tends to suggest that the practice of buying and selling descriptive domain names is perfectly acceptable, so long as it is not done in bad faith[143]. This seems to be particularly so where the name is generic.[144]

Free speech

Questions of free speech in connection with domain names have surfaced and been considered under the ICANN dispute resolution procedure. Prior to the introduction of this policy, US courts had already grappled with such domain names as 'ballysucks.com' and 'verizonreallysucks.com'[145]. In a decision under the ICANN rules concerning the name 'natwestsucks.com', the arbitrator said:

'Those who have genuine grievances against others or wish to express criticisms of them - whether they are against commercial or financial institutions, against governments, against charitable, sporting or cultural institutions, or whatever - must be at liberty, within the confines set by the laws of relevant jurisdictions, to express their views. If today they use a website or an email address for the purpose, they are entitled to select a Domain Name which lead others easily to them, if the name

is still available' [146].

In this case, the respondent had to hand the domain name to the complainant. But that was because the respondent said it had been registered in order to prevent unscrupulous third parties obtaining the domain name to make criticisms of the Institution. The respondent had offered it for sale to the complainant. The case does however suggest that there will be circumstances in which the respondent will be able to hold on to a similar name if the purpose is to make legitimate criticism.

5.4 Comment

The number of cases being filed with the accredited dispute providers is increasing quickly. To date, and after a rather slow start, it would appear that the Arbitrators are coming to grips with some of the nuances of the dispute resolution policy, with the result that we are seeing some very interesting decisions. No longer does a registration of a trade mark give an automatic right to a domain name, a feature that was the subject of much criticism under the NSI policy, although we have yet to see what the dispute providers will decide if the respondent argues parody, or any one of the other possible defences discussed above.

With the numbers of disputes being referred to the accredited dispute providers it appears that complainants at least are in favour of the new procedure [147]. This may become all the more evident when new gTLD's are introduced in due course. However, it should be remembered that the dispute policy is limited to abusive registration cases, and to disputes in the gTLD's [148]. It remains to be seen what will happen if a complainant raises a case before one of the ICANN dispute resolution providers, loses the case, but then proceeds before a national court [149]. This is a procedure that is possible in terms of the ICANN dispute policy. The dispute policy is described as mandatory, but only meaning that a respondent agrees to submit themselves to the dispute process. Merely because a dispute is referred to one of the accredited dispute providers under the dispute resolution policy does not preclude recourse to a national court for determination of the dispute either before the ICANN dispute procedure is instigated, or after the proceedings under the process are concluded [150]. Whereas this facility has had wide support [151], it does mean that national policy bias may override attempts at global solutions, thus fragmenting attempts at global dispute resolution.

6. National Initiatives

The US has already passed domestic legislation aimed at the practice of cybersquatting. The Anticybersquatting Consumer Protection Act provides that a person can be found liable for actual or statutory damages^[152] where the intent, with bad faith^[153] is to profit from the goodwill of another's trademark, by registering or using a domain name that is identical with, confusingly similar to, or which dilutes a trademark, without regard to the goods or services of the parties^[154].

6.1. *In rem* jurisdiction

One particular aspect that is of some concern in the Anticybersquatting Consumer Protection Act is the facilitation of an *in rem* action. An *in rem* action is one where action is taken against property, rather than against a person. For domain name disputes, the property against which action is taken, is the registration certificate of the domain name kept at the registry where the domain name has been registered. Prior to the passing of the Anticybersquatting Consumer Protection Act, Porsche^[155] had commenced an action by filing an *in rem* complaint against a number of domain names that incorporated the name 'Porsche'. Just some of these domain names are reproduced below giving something of a flavour of the problem faced by Porsche.

*porsche-car.com porschegirls.com 928porsche.com accessories4porsche.com allporsche.com
beverlyhillsporsche.com buyaporsche.com calporsche.com e-porsche.com everythingporschie.com
formulaporsche.com ianporsche.com idoporsche.com laporsche.com myporsche.com
newporsche.com parts4porsche.com passion-porsche.com porsche.net porsche-911.com porsche-
944.com porsche-autos.com porsche-books.com porsche-carrera.com porsche-cars.com porsche-
classic.com porsche-net.com porsche-nl.com porsche-online.com porsche-rs.com porsche-sales.com
porsche-service.com porsche-supercup.com porsche-web.com porsche356.com porsche4me.com
porsche4sale.com porsche911.com porsche911.net porsche911.org porsche911parts.com
porscheag.com porscheaudiaparts.com porschebooks.com porsche-cars.com porsche-carsales.com
porsche-casino.com*

porschechat.com porschedealer.com

These domain names had all been registered by different individuals or entities, many of whom had

given false information in the application procedure with NSI. By commencing an *in rem* action Porsche was trying to avoid the issues of having to locate and establish personal jurisdiction over the holders of a domain names. Porsche thus requested the domain name registration certificates located at the offices of NSI (in Virginia) be transferred to Porsche, or forfeited, because they diluted their trade marks. On 8 June 1999 the action was dismissed on the grounds that the US Trade Mark Dilution Act, under which the action was taken, did not allow *in rem* proceedings in these circumstances. The court said that it did not consider that Congress intended that the Trade Mark Dilution Act be operated in such a way as to ‘*ignore traditional notions of fair play and substantial justice*’[\[156\]](#).

However, just this type of action has been re-introduced in the US in the Anticybersquatting Consumer Protection Act. This Act provides that the owner of a mark may file an *in rem* civil action against a domain name in the district in which the domain name authority which registered the domain name is located, if they cannot locate or obtain *in personam* jurisdiction over the person or entity who registered the domain name[\[157\]](#). This procedure has now been considered in Caesars World, Inc. v. Caesars-Palace.Com, et al.;[\[158\]](#) and found not to violate the Due Process clause of the US Constitution. In effect, the result is that the court in Virginia has claimed jurisdiction over all domain names which have been registered with NSI. Presumably the US courts would give the same answer should an action be brought in any of the other jurisdictions in the US where the competing registries are now located. Anyone considering registering in one of the open gTLD’s, and wishing to avoid the possibility of being subject to this action, might be well advised to register with one of the registries not located in the US, and therefore not subject to the provisions of the Anticybersquatting Consumer Protection Act [\[159\]](#).

The question arises as to whether the UK should be considering domestic legislation to deal with trade mark and domain name disputes. As we have seen, UK courts are able to deal adequately with cases under existing law where it is not pled that a famous or well known mark is in question. It is only when these issues arise that problems occur in taking cognisance of possible legitimate defences to actions of trade mark infringement. In many ways it may be preferable for the time being to wait and see how the ICANN dispute resolution procedure develops. Although the procedure only concerns the gTLD’s, and thus many disputes in the ccTLD’s will still come before national courts (if litigated). Nonetheless, if workable and balanced solutions are developed at this level, then perhaps similar provisions could be considered for domestic disputes. A rush to implement national solutions may have the effect of fragmenting the rather fragile framework that is emerging[\[160\]](#). Indeed, this is one of the dangers faced as a result of the US initiatives. When the Anticybersquatting Consumer Protection Act was introduced,[\[161\]](#) it was said:

‘[These proposals] are not intended in any way to frustrate these global efforts already underway to develop inexpensive and expeditious procedures for resolving domain name disputes that avoid costly and time-consuming litigation in the court systems either here or abroad. In fact, the bill and amendment expressly provide liability limitations for domain name registrars, registries or other domain name registration authorities when they take actions pursuant to a reasonable policy prohibiting the registration of domain names that are identical, confusingly similar to or dilutive of another’s trademark. The ICANN and WIPO consideration of these issues will inform the development by domain name registrars and registries of such reasonable policies’.

Whether the ICANN and new US provisions can live happily side by side will only be determined once we are able to assess what US courts will decide if a complainant who loses under the administrative procedure takes a case to a US court. If, in these cases, and given the favourable provisions of the Anticybersquatting Consumer Protection Act for mark holders, the Complainant consistently wins cases[162], then the credibility of the ICANN procedure will be undermined. If the UK introduces its own domestic measures, the danger is that a pattern of regulatory competition will emerge, and other jurisdictions may also take protectionary measures.

7. Final Thoughts.

As can be concluded from the above discussion, a great deal is happening in domain name terms at the moment, and will no doubt continue to happen over the coming weeks months and years. Particular areas to watch for developments include the decisions made under the ICANN dispute resolution procedure and the patterns emerging: decisions as to when new gTLD’s will be introduced and what they will be, and whether the exclusions suggested by WIPO will be introduced in the gTLD’s for famous and well known marks. If this last proposal is taken further, all the difficult questions over the definition of famous and well known marks will resurface.

WIPO has recently commenced a further round of consultations on questions of domain names. They aim to produce a report during 2000 making suggestions in relation to bad faith, abusive domain name registrations which violate, *inter alia*,

- a. intellectual property rights, aside from trademarks, including geographical indications (such as wine-producing regions) and personality rights (such as the names of celebrities);

- b. the names and acronyms of international intergovernmental organizations (such as the United Nations);
- c. unfair competition law and the rights established under international treaties^[163]. These negotiations are well worth following, and indeed commenting on on-line.

It was said at the outset that if the domain name problems were not solved, the end of the Internet was nigh. That has, happily, not happened, and neither will it happen because there is just too much at stake. Governments around the world are doing what they can to promote the use of the Internet for e-commerce, and use is growing exponentially^[164]. The disputes over trade marks and domain names represent just one of the tangled legal problems that arise with this burgeoning use. Over the years, progress has been made in devising ways to resolve these disputes, but in the drive to commercialisation of the Internet, sight should not be lost of the fact that there are many millions of ordinary and small commercial users of the Internet whose legitimate interests should not be ignored.

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^[2] *Scotsman* 6 August 1997

^[3] *Prince Plc v Prince Sports Group Inc* [1998] FSR 21

^[4] Waelde 'Trade Marks and Domain Names. What's in a Name' in Law and the Internet: Regulating Cyberspace ed. Edwards and Waelde Hart Publishing Nov 1997 Murray 'Internet Domain Names: The Trade Mark Challenge' 1998 IJLIT 285 Thorne and Bennett *Domain names - Internet Warehousing: has protection of well-known names on the Internet gone too far?* E.I.P.R. 1998, 20(12), 468-470 . Haftke 'One In A Million - domain names reconsidered'. Ent. L.R. 1998, 9 (7), 241-244 Haydoutoya 'Trade marks: infringement on the Internet - distinction between domain name and uniform resource locator address'. E.I.P.R. 1998, 20(4), N76 Stoodley Internet domain names and trade marks. E.I.P.R. 1997, 19(9), 509-514 Morton 'Opinion.com'. E.I.P.R. 1997, 19(9), 496-498

^[5] For Further information on the way in which domain names are made up see Black Chapter 6

^[6] Network Solutions Inc. was sold for \$17billion in stock to VeriSign Inc. in February 2000. For an account of the history of NSI see

<http://www.lawnewsnetwork.com/practice/techlaw/news/A20216-2000Mar31.html>

[7] For information see <http://www.icann.org>

[8] *ibid*

[9] Trade Marks Act 1994 s 1

[10] *Prince plc v Prince Sports Group Inc.* [1998] FSR 21

[11] *Courier* 26 January 2000 has reported that a company based in Sussex, Webhound Ltd has registered over 15000 domain names in the co.uk TLD consisting of the names of villages in Scotland, England, Wales and Northern Ireland. Offers have been made to sell these to interested parties at prices starting at £500. A number of commentators have called this 'cyberpiracy'.

[12] For comment see *Harrods Ltd v UK Network Services Ltd* (Unreported, 1996) (Ch. D) E.I.P.R. 1997, 19(4), D106-107

[13] *Pitman Training Ltd v Nominet UK* [1997] F.S.R. 797.

[14] *Prince plc v Prince Sports Group Inc* [1998] FSR 21

[15] [1998] FSR 16 See also 'Strong marks make more goods similar' Montagon [1998] EIPR 401

[16] [1998] 4 All ER 476, [1999] RPC 1

Two other cases in Scotland, one concerning Scottish Widows and the other Haggis Backpackers seem to have been concerned with much the same issues as *BT v One in a Million* and in both cases the court ordered that the domain name be handed over to the pursuer. However, in neither case was an opinion issued.

In England, one slightly odd case concerned the trade mark FCUK and the domain name fcuk.com. *French Connection Ltd v Anthony Toolseeram* HCt Ch D 2/12/99. The domain name was registered by Antony Toolseeram trading as First Consultants UK and claimed by French connection plc the owners of the registered trade mark. The case was distinguished from *BT v One in a Million*. It would appear from reading the case that the judge may have been somewhat coloured in his judgement due to a dislike of the work 'fcuk'

[17] 1 J. McCarthy, *Trademarks and Unfair Competition* § 7:17.1 (4th ed. 1998).

[18] Note that there is no explicit requirement for confusion under this section despite the judgement of the court in *Baywatch Production Co Inc. v The Home Video Channel* [1997] FSR 22. Two other cases exist concerning registration under section 5(3) which might throw doubt on the view expressed in *Baywatch*. These are *Audi-Med Trade Mark* [1988] RPC 863 and *Oasis Stores Ltd v Ever Ready Plc* [1998] RPC 631.

[19] This section can be contrasted with section 56 Trade Marks Act 1994 which is designed to implement obligations under the Paris Convention Article 6 bis. This section provides protection for well known marks belonging to nationals of Convention countries. A number of points are important. First the goods or services must be similar; second there must be a likelihood of confusion; and third, although the mark must be well-known in the UK, there is no requirement for the proprietor of the mark to have traded in the UK using the mark.

[20] [1998] FSR 16

[21] Jacob J doubted that this activity actually fell within class 35 of the Trade Mark Register and thought the activity was more akin to retail sales, but did not decide the point.

[22] See the discussion below on *BT v One in a Million*

[23] *Bravado Merchandising Services Ltd v Mainstream Publishing (Edinburgh Ltd)* 1996 SLT 597, 1996 SCLR 1

[24] *Origins Natural Resources Inc v Origin Clothing Ltd* [1995] F.S.R. 280

[25] Under the NSI dispute resolution policy note was only taken of registered trade marks where they were identical to the domain name. <http://www.internic.net/faq/dispute.html>

[26] *Jews for Jesus v Brodsky* DC NJ Civil Action No. 98-274 (AJL) 3/6/98

[27] In class 16 of the Trade Mark Register for *inter alia* pamphlets

[28] Brodsky had registered the domain name JewsforJesus.com . The court found that there was a likelihood of confusion between the two sites. It is also important to note that the court found the actions of Brodsky, in disseminating information about the organisation to be in bad faith.

[29] [1996] RPC 281.

[30] *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc (formerly Pathe Communications Corp)* (Case C-39/97), [1998] All ER (EC) 934, [1999] RPC 117, [1999] 1 CMLR 77

[31] It would appear that currently the ECJ is vacillating over the monopoly that is to be conferred to a registered trade mark, particularly where infringement concerns the likelihood of confusion. In their recent judgement in *Sabel v Puma* [1998] 1 CMLR 445 the question was whether the words 'likelihood of association' found in section 10(2) were a subset of the test 'likelihood of confusion' or an independent test. If independent, so the breadth of the monopoly conferred on the registered mark would be enhanced. If a subset, so the monopoly is kept in check. The ECJ found that the test of likelihood of association was a subset. With *Canon* we are now seeing a fairly significant expansion of the monopoly conferred on a registered mark.

[32] In the US in *Data Concepts Inc v Digital Consulting Inc*. 6th Cir No 97-5802 8/5/98

it was said that a mark that has been registered and uncontested for five years, as Digital's was, is entitled to a presumption that it is a strong mark. *Wynn Oil Co. v. American Way Serv. Corp.*, 943 F.2d 595, 600 (6th Cir. 1991). However, a mark is weakened outside of the context in which it is used if there is third-party use of the mark.

[33] (1999) 4 All ER 476, [1999] RPC 1

[34] See comment at n

[35] US Lanham Act section 43© (known as the Federal Trademark Dilution Act 1995)

[36] (1999) 4 All ER 476, [1999] RPC 1

[37] See, for example, Thorne and Bennett *Domain Names - Internet Warehousing: Has protection of well-known names on the Internet Gone too Far?* [1998] EIPR 468

[38] Mostert (Mostert *Famous and Well Known Marks* Butterworths, 1997) argues that the concept of 'well known' flows from the Paris Convention where the intention was to provide the owners of marks which were not registered some protection so owners of foreign rights were protected against 'pirates' who launched a pre-emptive strike, and so covers reputation without use.

[39] For example, *Intermatic Inc v Toeppen* 947 F Supp

[40] Article 6bis of the Paris Convention gives protection to well known marks used in respect of identical or similar goods (not services). The TRIPS agreement extended the provisions of Article 6bis to services (Article 16.2) Further, Article 16.3 of TRIPs extended Article 6bis of the Paris Convention to goods or services which are not similar to those in respect of which a trademark is registered where the use would indicate a connection between the goods and services and the owner of the registered trade mark, and provided the interests of the owner of the registered trade mark are likely to be damaged by such use. In other words, it extended the protection for famous marks.

[41] First Council Directive (EEC) No 89/104 of 21 December 1988 to approximate the laws of the Member States relating to trade marks. Article 5 (2). The term 'reputation' was considered by the ECJ in the *Chevy* case (C-375/97). The ECJ considered that the degree of knowledge required by the condition that the mark must have 'a reputation in the Member State' is attained when the earlier mark is known by a significant part of the public concerned with the products or services. Reputation in a substantial part of the territory will suffice.

[42] Trade Marks Act 1994, section 10(3).

[43] Mostert p23.

[44] *Ibid*

[45] Federal Trademark Dilution Act 1995. Guidelines were laid down in the UK in *Audi-Med Trade Mark* [1998] RPC 863

[46] The recommendations state:

'In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.

In particular, the competent authority shall consider information submitted to it with respect to factors from which it may be inferred that the mark is, or is not, well known, including, but not limited to, information concerning the following:

- 1. The degree of knowledge or recognition of the mark in the relevant sector of the public;*
- 2. The duration, extent and geographical area of any use of the mark;*
- 3. The duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies*
- 4. The duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;*
- 5. The record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognised as well known by courts or other competent authorities; and*

6. *The value associated with the mark.*

[47] *Mostert* p 65

[48] *Schieffelin & Co v The Jack Co* 9 850 F Supp 232 (SDNY 1994). However, infringement was found on the basis rather of consumer survey results showing evidence of consumer confusion.

[49] The wording of this section is very similar to that of section 10(3) TMA but focusing rather on registerability than infringement. Broadly a sign that is similar to a registered mark may itself not be registered for dissimilar goods and services where the registered mark has a reputation and the registration of the sign would take advantage of or be detrimental to the mark without due cause.

[50] [1998] RPC 631

[51] A similar result was achieved in *Audi-Med Trade Mark* [1998] RPC 863 where an application to register AUDI-MED in respect of hearing aids, etc., was opposed under section 5(3) having regard to the registration of, and the reputation in, the trade mark AUDI in respect of motor cars, parts and fittings, financial service relating to motor cars, etc. The court found *inter alia* that the extent of use of the opponents' mark, supported by evidence of national advertising, was sufficient to establish its reputation in motor cars, parts and fittings, and their repair and maintenance. That nothing was said to change the decision which was given in *Oasis Stores Ltd v Ever Ready Plc* [1998] RPC 631; that it was possible for the damage referred to in section 5(3) to occur without the likelihood of confusion. However, when the following were considered: similarity of marks; inherent distinctiveness of earlier mark; reputation of earlier mark and its range of use; uniqueness of earlier mark; channels of trade; whether the earlier mark would be less distinctive because of the later; there was nothing to support the case that the applicants' mark would be detrimental to the opponents.

[52] Eveready.com is, in fact, the home page of Ever Ready plc and the information relates to *inter alia* batteries.

[53] See the discussion in part 3 below.

[54] See the discussion in part 4 below

[55] The question is sometimes asked: '*Is a domain name a trademark?*' The correct answer is: '*A domain name can become a trademark if it is used as a trademark.*' 1 J. McCarthy, *Trademarks and Unfair Competition* § 7:17.1 (4th ed. 1998).

[56] See *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 956 (C.D. Cal. 1997). 1 McCarthy § 7:176.1, at 7-24. Courts and other commentators have generally recognised that an Internet domain name can be used for both trademark and non-trademark purposes. See, e.g., 2 Jerome Gilson & Jeffrey M. Samuels, *Trademark Protection and Practice*, §§ 5.11[3] & 5.11[5] (1997) McCarthy § 7:17.1 domain names, like telephone numbers, street addresses, and radio station call letters, which permit one to locate and communicate with a place or a person, do not, without more, function as trademarks.

[57] See Part 5 below

[58] See part 6 below for an indication of the numbers of domain names registered incorporating the word 'Porsche'.

[59] Some generic domain names have a very high value. The L.A. Times, Dec. 1, 1999, p. C-1, listed a half-dozen (mostly generic) domain names being offered for sale for over a million dollars

each. These included Business.com and Websites.com

[60] *Panavision v Toeppen* 945 F Supp 1296 2 ECLR 789 (DC Calif 1996) In the UK the argument that One in a Million were not using the domain names in the course of trade was given short shrift by Aldous LJ who found that mere registration with the intent to sell the names back to the owners was sufficient for use in the course of trade.

[61] *Panavision v Toeppen* 945 F Supp 1296 2 ECLR 789 (DC Calif 1996)

[62] *Lockheed Martin Corp v Network Solutions Inc* 2 ECLR 1244 (DC Calif 1997).

[63] DC NJ Civil Action No. 98-274 (AJL) 3/6/98

[64] 97 CIV-0629 (KMW) (3/19/97) (2 ECLR 370)

[65] *British Sugar v James Robertson* [1996] RPC 281. Compare *Bravado Merchandising Services Ltd v Mainstream Publishing (Edinburgh Ltd)* 1996 SLT 597, 1996 SCLR 1

[66] Free Speech has been pled in a case under the ICANN dispute resolution policy. See the decision in 'natwestsucks.com' at <http://arbiter.wipo.int/domains/decisions/html/d2000-0636.html>

[67] In *Newspaper Licensing Agency v Marks & Spencer plc* *The Times* 26 January 1999, *The Independent* 28 January 1999, mention was made of the proper balance between the rights of a creative author and the wider public interest - 'of which free speech is a very important ingredient'.

[68] *Hormel Foods Corp v Jim Henson Productions* 73 F 3d 497 (2d Cir 1996) -

[69] *Mostert* p 454

[70] Under this case the people for the ethical treatment of animals won because NSI dispute resolution policy allowed no defence of parody. People Eating Tasty Animals could not afford to defend the action.

[71] Trade Marks Act 1994 ss 10(6), 11(2)(b), ©, 12

[72] Apparently Volkswagen has wrestled the domain "vw.net" away from Virtual Works Inc. in a federal court decision. Virtual Works claims it will appeal the ruling, characterising the case as a reverse hijacking. <http://www.it.fairfax.com.au/breaking/20000229/A46143-2000Feb29.html>

[73] DC NCalif No C 96-2703 THE 12/18/97

[74] Lanham Act s 43 c (4) The fair use defence has three elements:

- a. *the product or service must not be easily identifiable without the use of the trade mark*
- b. *only so much of the mark may be used as is reasonably necessary to identify the goods or service in question*
- c. *the user must do nothing that would suggest sponsorship or endorsement by the trade mark holder*

These were satisfied in this case. See also *New Kids on the Block v News America Publishing* 971 F2d 302 (CA 9 1991)

[75] Trade Marks Act 1994, Section 11 (2) provides that a registered mark is not infringed by the use of indications concerning the kind, quality, quantity, etc. of goods or services. Nor is a registered trade mark infringed where its use is necessary to indicate the intended purpose of a product or services, provided always that such use is in accordance with honest practices in industrial or commercial matters.

[76] Case C-337/95 *Parfums Christian Dior SA & Parfums Christian Dior BV v Evora BV* [1997] ECR I-6013, [1998] RPC 166, [1998] 1 CMLR 737

[77] Article 7(2) of the Trade Marks Directive (First Council Directive (EEC) No 89/104 of 21 December 1988 to approximate the laws of member states relating to trade marks) states: the trade mark shall not entitle the proprietor of the mark to prohibit its use in relation to goods which have been put on the market in the community under that trade mark by the proprietor or with his consent.

Paragraph 1 shall not apply where there exists legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.

Trade Marks Act 1994, Section 12 implements this provision of the directive.

[78] Trade Marks Act 1994, s 11(2)(a)

[79] Often surfers spell a name incorrectly when looking for a website. No doubt, many searching for a burger may type in www.mcdonalds.com. It would appear that an entrepreneur has quickly cottoned on to this possibility. The reader is invited to try.

[80] *Re Krupp* Regional Court of Appeal of Hamm January 13 1998 noted in [1999] EIPR N-24

[81] It appears there may have been another case involving the domain name shell.de registered by a Herr Shell. Again, apparently the court has ordered that Herr Shell cease use of this domain name. It appears that there may have been attempts to sell it to the multinational oil company, Shell.

[82] For details see ‘*Oxford University in cybersquatter row*’

<http://news2.thls.bbc.co.uk/hi/english/education/newsi.../694871.st> 29 March 2000

After completion of this article, the case was heard under the ICANN dispute resolution procedure. Doc Seagle (Mr Oxford University) lost. <http://arbiter.wipo.int/domains/decisions/html/d2000-0308.html>. A number of other personal names have been. Or are in the course of being considered. These include Julia Roberts and Madonna.

[83] *Elvis Presley Enterprises Inc. v Sid Shaw Elvisly Yours* *The Times* 22 March 1999.

[84] Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trade Mark

[85] EU Trade Mark Registration No 648444

[86] For a discussion on the Arbitration procedures under the ICANN dispute policy see part 5 below

[87] WIPO Case No D2000-0060

[88] 106th Congress 1st Session S. 1948 Title III Trademark Cyberpiracy Prevention Sec 3001.

For further discussion on this Act see section 6 below.

[89] <http://www.internic.net/domain-info/internic-domain-6.html> The latest revision became effective on 28 February 1998

[90] Section 9 of NSI's policy

[91] 6th Cir No 97-5802 8/5/98

[92] It was said in the course of judgement that *'When a domain name is used only to indicate an address on the Internet and not to identify the source of specific goods and services the name is not functioning as a trade mark'*.

[93] D Or Civil No 97-793-HA 4/22/98

[94] It was said in the course of judgement that *'CDS cannot now expand their trade mark rights to generic descriptions existing in our everyday language'*

[95] The toy company clearly did not win the battle over the web site pokey.org as any visitor will see. It is also fascinating to note the extent of technical expertise of a child in the area of web programming - and yet one who cannot spell 'submissions' Follow the links and you will see that the surfer is promised a full account of the battle with the toy company 'coming soon!' (or in web terms, 'under construction').

[96] For full details see <http://www.icann.org>

[97] The IAHC was dissolved on May 1, 1997

[98] For a full listing of the documents in the discussion and negotiation process see <http://www.ntia.doc.gov/ntiahome/domainname>

[99] *'A proposal to improve technical management of Internet names and addresses - discussion draft'* 30 January 1998 at <http://www.ntia.doc.gov/ntiahome/domainname>

[100] <http://www.uspto.gov/web/offices/com/doc/ipnii/index.html>

[101] Replies of the European Community and its Member States to the US Green Paper

<http://www.ntia.doc.gov/ntiahome/domainname>

[102] <http://www.icann.org>

[103] <http://www.ntia.doc.gov/ntiahome/domainname>

The invitation was included in the June 5, 1998 Statement of Policy on 'Management of Internet Names and Addresses' (Docket Number 980212036-8146-02) by the Department of Commerce of the United States of America ('the USG White Paper').

'The U.S. Government will seek international support to call upon the World Intellectual Property Organisation (WIPO) to initiate a balanced and transparent process, which includes the participation of trademark holders and members of the Internet community who are not trademark holders, to (1) develop recommendations for a uniform approach to resolving trademark/domain name disputes involving cyberspiracy (as opposed to conflicts between trademark holders with

legitimate competing rights), (2) recommend a process for protecting famous trademarks in the generic top level domains, and (3) evaluate the effects, based on studies conducted by independent organisations, such as the National Research Council of the National Academy of Sciences, of adding new gTLDs and related dispute resolution procedures on trademark and intellectual property holders. These findings and recommendations could be submitted to the board of the new corporation for its consideration in conjunction with its development of registry and registrar policy and the creation and introduction of new gTLDs.'

[104] See generally <http://ecommerce.wipo.int/domains/process/eng/processhome.html>

[105] <http://wipo2.wipo.int/process/eng/processhome.html>

[106] WIPO Interim Report para 115: 'any dispute concerning a domain name could go before its administrative panels'

[107] A particularly perceptive critique was produced by Professor Michael Froomkin, University of Miami which is well worth reading. See <http://www.law.miami.edu/~amf> .

[108] <http://wipo2.wipo.int/process/eng/processhome.html>

[109] The problem of deciding exactly what is a famous mark remains. Interestingly, in its Final Report WIPO make reference to 'a very popular web site associated with the sale of books' and if that brings a particular name to mind, that may well qualify as a famous mark. But even here, we are on rocky territory as it transpires that Amazon.com was sued by a feminist bookstore in Minnesota called Amazon Bookstore Inc. claiming that amazon.com is causing confusion among its customers about its affiliation (or non-affiliation) with amazon.com.

<http://www.bizreport.com/news/1999/04/990416-3.htm> Amazon book store has never officially registered Amazon as a trade mark, but nonetheless has used it since 1970. Amazon.com opened its web doors in July 1995. It is understood that the action has now settled, although details do not appear to be available.

[110] ICANN 'provisionally endorsed' the proposals from WIPO which were passed on to DNSO (Domain Name Supporting Organisation), one of ICANN's supporting organisations, for further consideration. <http://www.nytimes.com/library/tech/99/05/cyber/articles/28domain.html>

For the DNSO website <http://www.dnso.org>

[111] It was proposed that new gTLD's should only be introduced as and when the measures in the WIPO report have been adopted and been shown to work.

[112] The criteria to be used would be those adopted by WIPO SCT (fn x) plus the following criterion: Evidence of the mark being the subject of attempts by non-authorised third parties to register the same or misleadingly similar names as domain names.

[113] WIPO Final Report para 289

[114] <http://www.dnso.org>

[115] <http://www.icann.org>

[116] <http://www.icann.org/dnso/new-gtlds-01apr00.htm>. Since the time of writing, it has been agreed that new gTLD's will be introduced. It is not yet known how many or what they will be. Interestingly, it would appear that, in an effort to get new domains in advance the US Patent Office

has been inundated with applications for trade marks for yet to be created domains, such as sex.web.
<http://www.wired.com/news/politics/0,1283,38824,00.html>

[117] <http://www.icann.org>

[118] *ibid*

[119] <http://www.icann.org/udrp/udrp-policy-24oct99.htm>

[120] For details see <http://www.icann.org/registrars/accredited-list.html>

[121] A full list of these registries can be found at <http://www.icann.org>

[122] Originally, NSI were given some leeway in the deadline for implementation of the policy because of the large number of people in its existing database it would have to contact.
[Http://www.icann.org](http://www.icann.org)

[123] A fourth was approved in May2000. CPR Institute for Dispute Resolution will begin accepting complaints on May 22nd.

[124] <http://www.icann.org>

[125] Information about the providers can be found at <http://www.icann.org>

[126] <http://arbiter.wipo.int/domains>. At the time of dealing with the proofs of this article (20 September 2000) well over 1000 cases had been filed with WIPO. A similar (although not quite so dramatic) increase is evident at the other dispute resolution providers. This gives some indication of the success of the procedure, at least for complainants.

[127] <http://www.arbforum.com/domains>

[128] <http://www.eresolution.ca>

[129] ICANN Rules for Uniform Domain Name Dispute Resolution Policy

Policy Adopted: August 26, 1999 Implementation Documents Approved: October 24, 1999

Rule 15. Panel Decisions

(a) *A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.*

<http://www.icann.org/udrp/udrp-rules-24oct99.htm>

[130] WIPO Case no D99-0001 <http://arbiter.wipo.int/domains/index.html>

[131] 141 F 3d 1316 (9th Cir 1998)

[132] 947 F Supp 1227 (ND 111 1996).

[133] WIPO Case No D00-0001

[134] <http://ecommerce.wipo.int/domains/process/eng/processhome.html>

[135] *Sporty's Farm LLC v Sportsman's Market Inc* 2000 US App Lexis 1246 53 USPQ 2D (BNA) 1570

[136] *Beverages and More Inc v Glenn Sobel Mgt* eResolution Case No AF-0092
beveragesandmore.com

[137] *Robert Ellenbogen v Mike Pearson* WIPO Case No D00-0001 musicweb.com

Mary-Lynn Mondich and American Vintage Wine Biscuits Inc v Shane Brown, t/a Big Daddy's Antiques WIPO Case No D00-0004 americanvintage.com

Mr Walter Latham v Mr Todd Shurn National Arbitration Forum File No FA0002000094184
kingsofcomedy.com

Marriot International Inc v Café au Lait File No FA0002000093670 National Arbitration Forum
marriott-hotel.com

[138] *Storage Technology Corporation v Network Systems GA Inc* National Arbitration Forum File No FA0002000094188 networksystems.com

[139] *Alcoholics Anonymous World Services Inc v Lauren Raymond* WIPO Case No D2000-007
alcoholicsanonymous.com

Hollywood Casino Corporation v Global Interactive National Arbitration Forum File No FA0002000094107

Hollywood-casino.com and hollywood-casino.net to be transferred to complainant and
hollywoodgoldcasino.com and hollywoodgoldcasino.net to be cancelled

[140] *Entercolor Technologies Corporation v Gigantor Software Development Inc* National Arbitration Forum File No FA0002000093635 gigantor.com

[141] *America Online Inc v iDomainNames.com* National Arbitration Forum File No FA0002000093766 go2aol.com

[142] National Arbitration Forum File No FA 0002000093682

[143] See also *Shirmax Retail Ltd v CES Marketing Group Inc* eResolution AF-0104 thyme.com

[144] *ibid*

[145] Apparently also registered was
VerizonShouldSpendMoreTimeFixingItsNetworkAndLessMoneyOnLawyers.com
<http://www.2600.com/news/2000/0508.html>

[146] <http://arbiter.wipo.int/domains/decisions/html/d2000-0636.html>

[147] Some commentators are in favour of the new procedure. Osborne *The ICANN Decisions - What have we learned?* Computers and Law Vol 11 Issue 1 April/May 2000 p 32. Other commentators are, however, much more circumspect, pointing out that the majority of decisions are made in favour of trade mark holders, and questioning whether arbitrators are following the narrow parameters established by the board for reassigning domain names.
<http://www.qlinks.net/items/qlitem7428.htm>

[148] For discussion on the dispute resolution policy in the .uk ccTLD see Black Chapter 6 in this vol. Some countries are now also using the procedure.
<http://arbiter.wipo.int/domains/cctld/index.html>

[149] Apparently a US court has recently discussed the effect of the ICANN domain name dispute resolution process on its right to rule. The court found that it is not bound by an ICANN decision but it declined to state what degree of deference, if any, it would give to an ICANN decision. The case stems from parallel proceedings launched in U.S. court and under the ICANN dispute resolution process. The case can be found in LEXIS as *Armitage Hardware v. Weber-Stephen Products*. The ICANN decision on the disputed names was still pending at the time of writing.

[150] Uniform Domain Name Dispute Resolution Policy Paragraph 4.k

[151] WIPO Final Report <http://wipo2.wipo.int> para 139

[152] In civil actions against cybersquatters, the plaintiff is authorised to recover actual damages and profits, or may elect before final judgement to award of statutory damages of not less than \$1,000 and not more than \$100,000 per domain name, as the court considers just. The court is directed to remit statutory damages in any case where the infringer reasonably believed that use of the domain name was a fair or otherwise lawful use.

[153] The legislation outlines the following non-exclusive list of eight factors for courts to consider in determining whether such bad-faith intent to profit is proven:

- (i) *the trademark rights of the domain name registrant in the domain name;*
 - (ii) *whether the domain name is the legal or nickname of the registrant;*
 - (iii) *the prior use by the registrant of the domain name in connection with the bona fide offering of any goods or services;*
 - (iv) *the registrant's legitimate noncommercial or fair use of the mark at the site under the domain name;*
 - (v) *the registrant's intent to divert consumers from the mark's owner's online location in a manner that could harm the mark's goodwill, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the site;*
 - (vi) *the registrant's offer to sell the domain name for substantial consideration without having or having an intent to use the domain name in the bona fide offering of goods or services;*
 - (vii) *the registrant's intentional provision of material false and misleading contact information when applying for the registration of the domain name;*
- and*
- (viii) *the registrant's registration of multiple domain names that are identical or similar to or dilutive of another's trademark.*

[154] A number of claims have already been filed using this new law. One concerning the National Football League over the domains nfltoday.org, nfltoday.com, and nfltoday.net.

<http://www.mercurycenter.com/svtech/news/breaking/internet/docs/11682151.htm>

Once concerning Harvard University against a man who owns 65 domains with the word "Harvard."

http://www.boston.com/dailyglobe2/342/metro/Harvard_seeks_rights_to_own_name_in_cyber_suit+.shtml

And one concerning New Zealand's America's Cup team in relation to the domain name americascup.com.

<http://www.nytimes.com/library/tech/99/12/biztech/articles/09net.html>

[155] *Porsche Cars North America Inc. v Porsche.com* ED Va No 99-0006-A complaint filed 1/6/99

The case was subsequently vacated and remanded by the 4th Circuit Court of Appeal in June 2000 since the District Court did not consider the effect of the Anticybersquatting Consumer Protection Act. 2000 US App.LEXIS 12843

[156] For full details see <http://www.mama-tech.com/pc.html>

[157] Anticybercysquatting Consumer Protection Act 1999 s 3002 amending Section 43 of the Trademark Act of 1946 (15 USC 1125)

[158] Civil Action No. 99-550-A (E.D.Va., March 3, 2000). In a subsequent case, *Heathmount AE Corp v Technodrome* 2000 US Dist LEXIS 10591, the court found that it did not have personal jurisdiction based on registration of a domain name in Virginia, but allowed the in rem action to proceed.

[159] The ICANN website <http://www.icann.org> contains full details of the competing registries, including where they are located.

[160] It is debatable whether national initiatives would tip the balance in favour of respondents. See fn 148 above.

[161] For a view from the US as to why the Act is a bad idea.

<http://www.nandotimes.com/technology/story/0,1643,500059069-500097375-500389377-0,00.html>

[162] One US case which came in for much criticism from the International Internet community was fought over the domain name, *etoy.com*. A group of artists in Europe registered the domain name *etoy.com* in 1995. They used the website to mimick activities carried out by large organisations. *Etoys.com*, the toy retailer, sued *etoy* for the domain name after it had been contacted by members of the public complaining that children had accessed the *etoy.com* site by mistake, and found some inappropriate material. *EToys* did not go on-line until 1997 and sells toys. On Nov. 29 2000, a Los Angeles Superior Court judge issued a preliminary injunction against *etoy*, threatening the artists with fines of as much as \$10,000 a day unless they stopped using the *etoy.com* address. In response *etoy* went into hiding. However, the 'Internet Community', joined forces behind *etoy*, and a number of e-mail messages in favour of *etoy* were sent to *eToys*, and various web sites set up discussing the pros and cons of the case. In response, *eToys* dropped the case against *etoy* on 29 December 1999 and agreed to pay their legal fees. Information can be found at

<http://news.cnet.com/news/0-1007-200-1531854.html>

<http://www.wired.com/news/politics/0,1283,33907,00.html>

<http://www.nytimes.com/library/tech/00/01/cyber/articles/26etoy.html>

The dispute, and its resolution, is a very interesting example of Internet self regulation.

[163] <http://wipo2.wipo.int/process2/index.html>

WIPO have also considered trade mark use on the Internet in general. See: 'Standing committee on the law of trademarks, industrial designs and geographical indications', Fourth Session, Geneva, March 27 to 31, 2000. *'Draft provisions concerning protection of trademarks and other distinctive signs on the Internet'* available at <http://www.wipo.int/eng/main.htm>

[164] For the UK position see 'A Performance and Innovation Unit Report', September 1999 *The Cabinet Office*.